

National Institutes of Health

(dollars in millions)

	1996 Actual	1997 Enacted	1998 Request	Request +/- Enacted
Budget Authority	\$11,928	\$12,741	\$13,078	+\$337
Program Level	\$11,940	\$12,754	\$13,106	+\$352
Outlays	\$10,212	\$12,146	\$12,786	+\$640
FTE	15,155	15,153	15,153	0

Summary

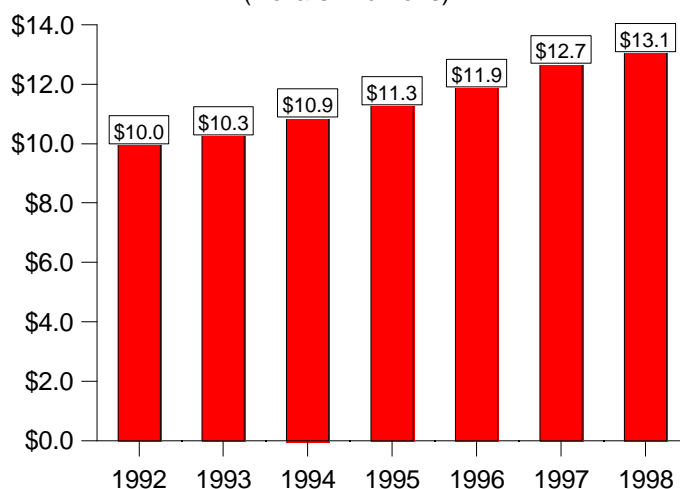
The FY 1998 request for the National Institutes of Health (NIH) totals \$13.1 billion, an increase in new budget authority of \$337 million, or 2.6 percent, over the FY 1997 level. Within this increase, \$271 million is devoted to providing a 3.9 percent rate of growth in funding for research project grants, NIH's highest priority. In addition, \$90 million in total is requested for the second phase of construction funding for NIH's new Clinical Research Center. The same as was provided in FY 1997.

Rational scientific research has given physicians the tools to treat, cure, and prevent diseases that, just a generation ago, were permanently disabling or fatal. In recent years, NIH-sponsored research has produced major advances in the treatment and management of cancer, HIV/AIDS, heart disease, diabetes, rheumatoid arthritis, and schizophrenia, to name just a few, which have helped to substantially decrease morbidity as well as considerably enhance the quality of life for both patients and their families. NIH has also made astonishing

progress on the gargantuan task of mapping the human genome. The map, however, constitutes merely the first step in understanding the role

NIH FUNDING HISTORY

(Dollars in billions)



genetic material plays in normal function and disease. With the map of the genome in hand, the next steps are to define the role each gene

plays in normal gene function, and the role a single gene or a combination of genes and their protein products play in disease. This knowledge will enable us to better recognize a disease, explain its pathogenesis, and ultimately cure it or prevent its onset.

NIH remains the preeminent biomedical and behavioral research enterprise in the United States. It also plays a singular role in nurturing and supporting the Nation's medical scientific research infrastructure, especially in biology and medicine, but also in chemistry, computer science, and other disciplines. This support has produced a comprehensive network of more than 50,000 scientists and technicians at more than 1,700 research universities, academic medical centers and institutions across the country. NIH's intramural scientists, in concert with its extramural partners, are responsible for generating an expanding foundation of new knowledge, which helps maintain the international dominance of our Nation's pharmaceutical and biotechnology industries.

The Institutes and Centers funded by NIH's 24 appropriations are committed to supporting initiatives having the greatest potential for improving health, reducing the risk of disease, and ultimately, improving the quality of human life. For FY 1998, NIH has identified six medical research "areas of emphasis" in which opportunities abound in emerging technologies, approaches, and treatments that will expand the frontiers of medical knowledge and that offer great promise for curing disease and furthering the Nation's health. These "areas of emphasis" include research on the biology of brain disorders; on new approaches to pathogenesis, the study of disease origins and development; on new preventive strategies against disease; on genetics of medicine; on advanced instrumentation and computers in medicine and research; and on research on new avenues for therapeutics development, a new emphasis area

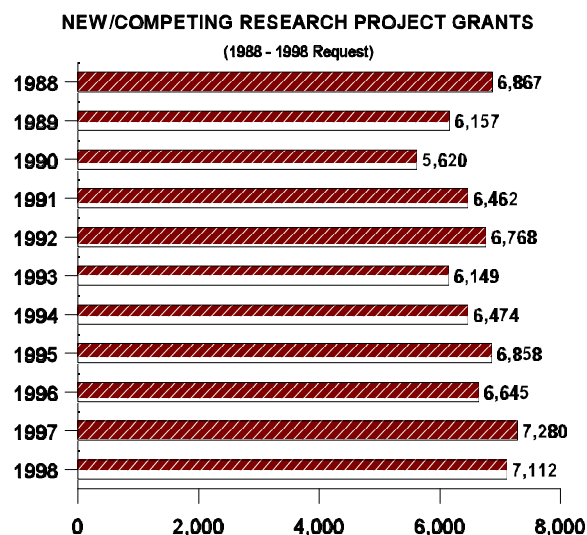
for FY 1998. NIH plans to devote an additional \$223 million to such initiatives in FY 1998.

Research Project Grants

The support of basic medical research through investigator-initiated research project grants (RPGs) continues to be NIH's highest priority. These grants support new and promising ideas cutting across all areas of medical research. In FY 1998, the NIH budget provides nearly \$7.2 billion to support another record total of 26,679 RPGs, including 7,112 new and competing RPGs. This represents an additional 939 total grants over FY 1997, a 3.6 percent increase. New and competing RPGs will be decreased by 168 in FY 1998, due to the cycling of new and competing grants from FY 1997 to noncompeting status.

Office of AIDS Research

The FY 1998 President's budget again

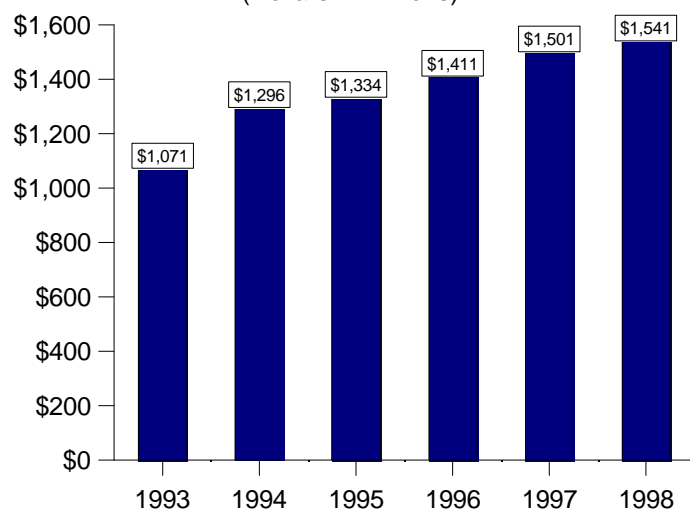


includes all of NIH's AIDS-related funds --

\$1.5 billion -- in a single account for the Office of AIDS Research (OAR), consistent with the provisions of the NIH Revitalization Act of 1993. The Director of OAR will transfer funds to the Institutes in accordance with the comprehensive plan for AIDS research developed by the OAR along with the Institutes. The Administration strongly supports a consolidated AIDS appropriation within NIH as a vital part of ensuring a coordinated and flexible response to the AIDS epidemic.

The AIDS research effort is unlike any other program at the NIH in that it spans the agendas of every Institute and Center at NIH. Managing this complex and vast research portfolio requires a unique and unprecedented level of scientific leadership to determine research priorities and to ensure collaboration and minimize duplication in a united front against this devastating epidemic. The creation of the OAR has meant that there is

NIH HIV/AIDS-RELATED RESEARCH FUNDING
(Dollars in millions)



now a single entity solely devoted to directing and coordinating the entire NIH AIDS research program. The consolidated appropriation also gives the OAR the opportunity to reassess resource allocations across the Institutes based on scientific developments that may occur after

the budget is developed.

The FY 1998 budget includes \$1.5 billion for AIDS-related research in NIH. This is an increase of \$40 million, or 2.6 percent, over the FY 1997 level. This is the same overall rate of increase as is requested for non-AIDS programs in total in FY 1998. The FY 1998 request represents a 44 percent increase in NIH's AIDS research funding since FY 1993. The request is based on scientific priorities which reflect a broad consensus of the current scientific opportunities, and the findings and recommendations of the NIH AIDS Research Program Evaluation Working Group. These priorities include: a rededication to fundamental science; a stronger effort to develop new vaccines; increased efforts to better understand the human immune system; emphasis on prevention science research, including microbicides; and a vigorous therapeutic research program.

Clinical Research Center

In FY 1998, a total of \$90 million, plus advanced appropriations of \$90 million in FY 1999 and \$40 million in FY 2000, are requested to complete construction of the new Mark O. Hatfield Clinical Research Center. The current NIH Clinical Center is the core clinical research facility at NIH and the largest of its kind in the world. It provides protocol-specific patient care in support of the intramural research programs sponsored by most NIH Institutes, and serves as a resource for training clinical investigators. Each year, an average of 20,000 children and adults from across the country, and in some instances, the world, are referred to the Clinical Center for experimental treatment and study. These patients account for approximately 65,000 inpatient days and 70,000 outpatient visits a year. Nearly 1,000 clinical research protocols are ongoing at

the Clinical Center at any one time. This represents approximately 25 percent of all Federally funded outpatient visits associated with clinical research and nearly half of all the Federally funded clinical research beds in the Nation. Funds for the operations of the Clinical Center are derived from assessments on the participating Institutes and Centers.

In FY 1997, Congress provided the first \$90 million of the total \$310 million cost of replacing the existing 500-bed hospital of the Clinical Center, which is more than 40 years old, physically deteriorated, and nearly functionally obsolete. The new, state-of-the-art, 250-bed hospital and associated laboratories will be more efficient to run, more affordable to maintain, more flexible to staff, and more readily adaptable to the clinical research challenges of the future. The \$90 million requested to be used in FY 1998 would provide for the second installment of construction funds.

The President's budget also requests advance appropriations for the third and fourth phases of construction funding for FYs 1999 and 2000 (\$90 million and \$40 million, respectively). The request for advance appropriations is in keeping with Administration policy and budget scoring agreements to fully account for the costs of major construction projects in budget requests, while not reducing funding available for research. These advance appropriations will not count against the Department's budget targets in FY 1998.

Other Priorities

Within the total \$337 million increase requested for NIH in FY 1998 is an additional \$30 million for research on drug abuse and drug treatment and prevention within the National Institute on Drug Abuse (NIDA). This 9 percent increase is part of the Administration's coordinated approach to combatting drug abuse.

Additional funds will be directed to the areas of neuroscience research and understanding the role of brain functioning in the development and consequences of addiction; the development and application of new technologies, including imaging; research on the role of drug abuse as the primary vehicle for HIV/AIDS transmission; the medications development program; behavioral research; and prevention research. The development of a medication for the treatment of cocaine addiction is NIDA's highest priority for FY 1998.

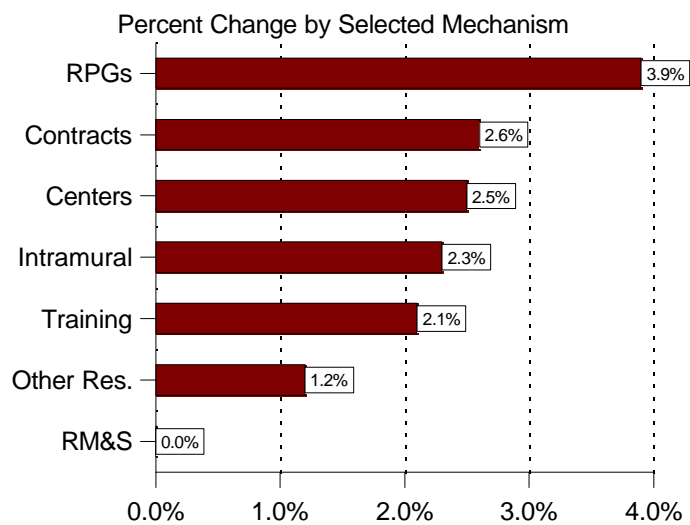
In addition, in conjunction with the Department's youth tobacco prevention initiative, in FY 1998, the National Cancer Institute (NCI) will extend, with full funding, for one full year its support of its current American Stop Smoking Intervention Study (ASSIST) contracts. The ASSIST program, for which NCI has supported the intervention phase since FY 1993, represents a collaborative effort among the NCI, the American Cancer Society, State and local health departments, and other voluntary organizations to develop comprehensive tobacco control programs in 17 States across the United States. More than 3,000 community organizations have joined ASSIST coalitions in the 17 States. The full-year extension in FY 1998 will carry the operations and infrastructure of these projects through to the end of FY 1999. Between now and then, NCI will be working with its Departmental and external partners to determine the most effective way to support and manage future tobacco prevention efforts as we move beyond the research phase of ASSIST and transition to the essential task of supporting disseminated tobacco prevention and control programs in public health.

Other Research Mechanisms

In FY 1998, NIH plans to increase spending for research training by \$9 million over FY 1997, a 2.1 percent increase. This will allow NIH to support over 15,000 individual and institutional full-time research training positions. Within this increase, NIH will provide for the second year of an increase in training stipends of 3.5 percent for post-doctoral fellows with less than two years of experience.

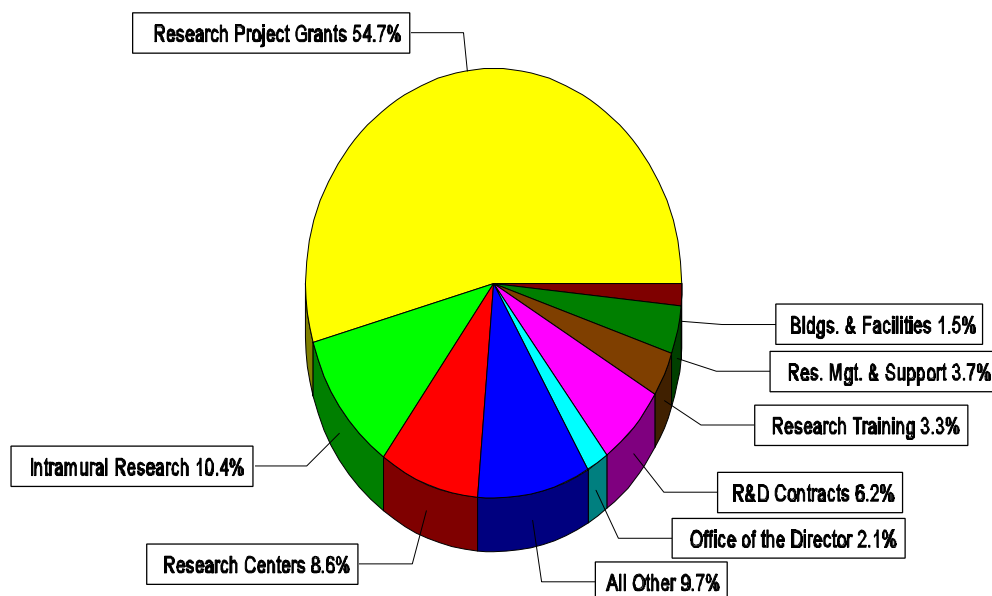
Most other non-RPG research mechanisms will increase by about 2 percent in FY 1998, reflecting NIH's emphasis on the investigator-initiated RPG mechanism. Funds for research management and support costs are being straightlined from the FY 1997 levels.

FY 1998 NIH Budget



FY 1998 NIH Budget

\$13,078 Million



NIH OVERVIEW (by Institute/Center)

(dollars in millions)

	1996 <u>Actual</u>	1997 <u>Enacted</u>	1998 <u>Request</u>	Request <u>+/- Enacted</u>
<u>Institute:</u>				
NCI	\$2,030	\$2,156	\$2,217	+\$61
NHLBI	1,294	1,371	1,405	+34
NIDR	170	183	190	+7
NIDDK	757	803	821	+18
NINDS	660	702	723	+21
NIAID	572	609	634	+25
NIGMS	918	971	992	+21
NICHD	532	567	582	+15
NEI	304	323	331	+8
NIEHS	282	302	314	+12
NIA	452	484	495	+11
NIAMS	240	253	259	+6
NIDCD	174	186	192	+6
NIMH	566	604	630	+26
NIDA	305	328	358	+30
NIAAA	188	201	208	+7
NINR	51	54	56	+2
NHGRI	168	187	202	+15
NCRR	321	341	334	-7
FIC	16	16	17	+1
NLM	150	161	166	+5
OD	233	251	234	-17
OAR	1,411	1,501	1,541	+40
Third Party Reimbursements	--	--	15	+15
Subtotal	\$11,794	\$12,554	\$12,916	+\$362
B&F	146	200	190	-10
Subtotal, Program Level	\$11,940	\$12,754	\$13,106	+\$352
<u>Offsets:</u>				
NLM User Fees	-\$12	-\$13	-\$13	--
Third Party Reimbursements	--	--	-15	-\$15
Total, BA	\$11,928	\$12,741	\$13,078	+\$337
FTE	15,155	15,153	15,153	0

NIH OVERVIEW (by Mechanism)

(dollars in millions)

	1996	1997	1998	Request
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	<u>+/- Enacted</u>
<u>Mechanism:</u>				
Research Project Grants	\$6,423	\$6,884	\$7,155	+\$271
<i>[No. of Non-competing]</i>	<i>[17,854]</i>	<i>[18,460]</i>	<i>[19,567]</i>	<i>[+1,107]</i>
<i>[No. of New/Competing]</i>	<i>[6,645]</i>	<i>[7,280]</i>	<i>[7,112]</i>	<i>[-168]</i>
<i>[Total No. Of Grants]</i>	<i>[24,499]</i>	<i>[25,740]</i>	<i>[26,679]</i>	<i>[+939]</i>
 SBIR/STTR Grants	 \$189	 \$246	 \$253	 +\$7
Centers	1,040	1,093	1,121	+28
Research Training	395	418	427	+9
R&D Contracts	765	789	809	+20
 Intramural Research	 1,296	 1,333	 1,364	 +31
Other Research	793	861	854	-7
Research Management and Support	480	479	479	--
National Library of Medicine	153	164	169	+5
 Office of the Director	 260	 287	 270	 -17
Buildings and Facilities	146	200	190	-10
Third Party Reimbursements	---	---	<u>15</u>	<u>+15</u>
Subtotal, Program Level	\$11,940	\$12,754	\$13,106	+\$352
 <u>Offsets:</u>				
NLM User Fees	-\$12	-\$13	-\$13	--
Third Party Reimbursements	---	---	<u>-15</u>	<u>-\$15</u>
 Total, BA	 \$11,928	 \$12,741	 \$13,078	 +\$337
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